Interview with Christopher H. Phillips

The Association for Diplomatic Studies and Training Foreign Affairs Oral History Project

AMBASSADOR CHRISTOPHER H. PHILLIPS

Interviewed by: Charles Stuart Kennedy

Initial interview date: May 12, 1993

Q: Could you tell me a bit about your family, where you came from, and about your education. Start with your family and your growing up, and education.

PHILLIPS: My father, William Phillips, was one of the pioneers in helping to establish a career Foreign Service. His own career began in 1902 as private secretary to Ambassador Joseph Choate in London. Subsequently, he was posted to the American Legation in Peking from 1905 until 1907, during the waning days of the Ching Dynasty. The Empress Dowager, Tzu Hsi was, of course, still ruling China at that time. Two years later, he applied for a transfer to Washington, but on reporting to the State Department for a position, discovered there was no appropriate vacancy for him. After some difficulty, a way out of the predicament was found by appointing him to the Messenger Service - the lowest grade of employees in the Department.

In due course, he was assigned to matters concerned with Far Eastern affairs. A year or two later, he persuaded his seniors to establish a new office to deal with Far Eastern affairs. This resulted in the establishment of the Division of Far Eastern Affairs, of which my father was appointed the first director. He thus became the founding head of what is now the Bureau of East Asian and Pacific Affairs. In 1908 he was named Third

Assistant Secretary of State, and during the Wilson administration, was promoted to First Assistant Secretary. After a tour of duty as U.S. Minister to the Netherlands, he returned to Washington in 1922 to assume the post of Under Secretary of State, the number two position in the Department, which was then headed by Secretary Charles Evans Hughes. During the ensuing twenty or more years, my father served as Ambassador to Belgium,1924-1927, as the first American Envoy to, Canada, from 1927 to 1929, as UndeSecretary of State for the second time from, 1933-1936, and as Ambassador to Italy from 1936 to 1941.

Q: You say that your father was the first U.S. Envoy to Canada. Was that at the time that British Dominions were authorized to establish independent diplomatic relations with other countries?

PHILLIPS: Yes, that was in 1927 as a result of action taken by thLondon Imperial Conference.

Q: Let's talk about you then. How did you grow up in this atmosphere?

PHILLIPS: I think from an early age it did inculcate in me an interest in foreign affairs, and later in life, in political activities. I was born in the American Legation in the Hague, Holland. In later years my parents assured me that since I was born in the Legation residence, I would qualify as a native born American and therefore eligible to be elected President of the United States. That was not exactly the goal of my life, although elective politics did later play a part.

My earliest memories were of life in the embassy in Brussels where I lived with my parents and my youngest sister for three years. I guess the most vivid of those memories was the arrival of Charles Lindbergh shortly after his transatlantic flight in 1927. After his historic landing in Paris, he visited two or three European capitals, the first being Brussels. My father was away at the time, I believe on consultation in Washington, so at the age of seven I was asked to act as unofficial “charge d'affaires” and to greet Mr. Lindbergh. I

remember being stationed at the door of the elevator, and I recall vividly the door opening and this very tall, lean, man in brown leather flying togs, stepping out and accepting my handshake and my welcome to the American Embassy. Shortly thereafter, we left Brussels and moved to Ottawa where my father presented his credentials as the first American Minister to Canada.

Q: Where were you educated, and what types of subjects interesteyou?

PHILLIPS: My schooling began in Ottawa where I went to a small, private boys' school for two years. But as is often the case, being the child of a diplomat, I attended several schools - six in fact. Of those six, the one that had the most lasting impact on my life' was the school from which I graduated to go to Harvard. Avon Old Farms in Avon, Connecticut, was ahead of its time in several respects. For example, there was a program of community service in which every student was required to participate eight hours a week. Its 2000 acres of fields and forest contained both a working dairy farm and a poultry farm in which students could choose to perform their weekly service. The school also had an unusual system of student government which gave students an opportunity to experience the responsibilities of local self government. Officers were elected by secret ballot in elections in which both students and faculty participated. A judicial body could rule up to a recommendation for dismissal from the school. I was elected head of the student government and participated in many other student government activities. I also became active in the Secondary School Society for International Cooperation, a student organization which sponsored meetings and conferences at a number of secondary schools for the purpose of encouraging interest in world affairs.

Further adding to my growing interest in politics and international affairs, were experiences I had in Washington during Franklin Roosevelt's' first term, Roosevelt had appointed my father his first Under Secretary of State (currently known as the Deputy Secretary) and I had become an ardent Roosevelt enthusiast. My parents had been close friends of the Roosevelt's going back to the Wilson administration when Roosevelt was Assistant

Secretary of the Navy and my father, Assistant Secretary of State. My mother was a girlhood friend of Eleanor's and attended her wedding. I well remember, at the impressionable age of 13 or 14, my first visit to the White House. The occasion was a family Christmas party, with only the Roosevelt family, my family and three or four other close friends of the Roosevelts'. The party took place in the East Room, where musicians from the Marine band were assembled to lead us in a program of carol singing. It was a delightfully informal and lively evening, with a good deal of fun and frolic among the children. Experiences such as these further sparked my interest in political life as well as my admiration foRoosevelt.

Q: So you entered Harvard in 1939, just as World War II started.

PHILLIPS: That's right. I found myself among a minority of students who believed that American interests were at stake and that, sooner or later, the U.S. would have to become involved. I became increasingly unhappy with widespread support for a policy of neutrality which prevailed among many students. By the end of my Freshman year, I decided to go west in search of more enlightened views. Montana, where I had spent several summers, and where I had first met the girl who was later to become my wife and the mother of our three children, became my destination. I enrolled as a part time student at Montana State College in Bozeman, and during the summer worked on a nearby ranch. After a year of Montana life, which I greatly enjoyed. I returned to Harvard because, by then, it seemed clear that it was only a matter of time before the U.S. would be drawn into the war.

Q: Did you then complete your studies, or did the American entry intthe war interrupt them?

PHILLIPS: I was able to complete one more year at Harvard before entering the service. In November, 1942, I enlisted in the U.S. Army Air Corps as a private. I had hoped to be a pilot, but my eyesight was inadequate, and so I was assigned to a non-flying status.

Thus began a four year tour of duty with the U.S. Army Air Corps which concluded with an assignment to the military government program for the Far East.

By that time I had graduated from Officer Candidate School and was proudly wearing my Second Lieutenant bar. I was one of the early participants in the training program for the Far East, which included Korea and Japan. As part of our preparation for the anticipated invasion of Japan, we were put through intensive Japanese language training and area study at Harvard University and at the Presidio of Monterey in California. Thanks to President Truman's historic decision which brought a dramatic end to the war with Japan, all of us who had been preparing for the invasion arrived peacefully in a Japan whose people, surprisingly, seemed to welcome us.

Japanese Occupation 1945-1946

I spent a year in Japan on the staff of General MacArthur at his headquarters in the Daichi building in Tokyo. There I was assigned to the Price Control and Rationing Division of the Economic and Scientific Staff Section of SCAP [Supreme Commander for the Allied Powers]. Our job was to establish policies for the distribution of food throughout the country so as to prevent starvation during the difficult first year of the occupation.

Q: I'd like to go back, since this has pertinence to foreign affairs. What was your impression, I mean here you were a young man on the staff of General MacArthur, obviously way down in the bowels, but what was your impression of MacArthur, and two, how did you feel-what was the atmosphere about dealing with the Japanese and about the relationship to Washington and directions from Washington?

PHILLIPS: You're quite right. I was down in the bowels of SCAP, although by that time I had been promoted to the lofty rank of First Lieutenant! This didn't exactly give me day to day access to General MacArthur, but I was able to gain some impressions of his impact on that quite remarkable first year of the occupation. Although, ostensibly guided by directions from Washington, MacArthur exercised a great deal of independent authority. In

theory, it was the Far Eastern Advisory Commission, which comprised representatives of all the allied countries, that established general policies for the occupation. In fact, the real authority for issuing policies and directives to SCAP resided in Washington. But MacArthur took a rather imperial view of his role and was not unduly influenced by instructions from Washington or guidance from the Far Eastern Advisory Commission.

Q: What about the staff around him? Did you get any feel about thstaff and its impact on MacArthur?

PHILLIPS: A small group of senior colonels and generals who had been through the war with him exercised the greatest influence - officers such as General Marquette, in charge of the Economic and Scientific Staff Section and General Whitney, who headed up the Government Section. But there were many more junior officers down the line, who from the standpoint of day to day operations, played key roles in implementing SCAP policies. During that first year the staff was almost entirely drawn from our military and naval forces, most of whom had been through the same training programs as had I. We had all participated, to some extent, in the planning operations leading up to the occupation, and were, therefore, well prepared for the tasks that confronted us on our arrival. On the whole it was a smoothly run operation, due in large part to clearly defined policies and MacArthur's extraordinary influence and leadership. We all marveled at how ordinary Japanese seemed to venerate the General. It made one wonder if perhaps they saw in him as a new Imperial being, temporarily replacing the Emperor himself.

Q: I was wondering, at the time you were there, if one could not have discerned two rather different currents of thinking about occupation policies. On the one hand, New Deal views, though more pragmatic than the earlier days of the Roosevelt presidency, still influenced Washington thinking. At the same time you had a general and his senior officers who generally reflected more conservative views. MacArthur had a lot of autonomy. I would have thought, even in this first year, there would have been some sort of conflict - or did things just sort of click together?

PHILLIPS: Well you raise a good point. Given these circumstances, one might well have concluded that policy conflicts between Washington and SCAP were inevitable. But in fact things did sort of click together. Of course there were occasional differences of opinion between Washington and SCAP, but overall there were remarkably few. We tend to forget that under MacArthur during the first year of the occupation, some truly radical reforms were introduced into Japan which changed, the whole nature of Japanese society. An example of this was the highly successful land reform program. For many years land tenancy had stood at close to 50 % of the land. As a result of these reforms, absentee ownership of agricultural land was abolished and former tenants were able to buy their land on very favorable terms. At the same time landlords were reimbursed for the property they lost.

Q: Then you left Japan in 1946 to return to the U.S. What did yothen do?

PHILLIPS: I was relieved from active duty just in time to return to Harvard and complete the remaining semester for my degree. With my degree in hand three years late, I began looking for a job. I had a pretty clear idea that I wanted, in due course, to get into politics. I also had a keen interest in foreign affairs and seriously considered the Foreign Service, but I finally decided against that. Bearing in mind my father's very distinguished diplomatic career, I couldn't help feeling that I would face a “no win” situation. If I entered the Foreign Service and did well, it would be said that of course my father's reputation had a lot to do with it. If I did not succeed, there would be invidious comparisons. So I concluded that the best thing to do would be to pursue a political career. The big question was how and when. I was then 27 years old, happily married to my Montana bride and the proud father of a two-year old daughter. As luck would have it, the editor of our local daily newspaper had a vacancy for a cub reporter. He offered me the job which I accepted with alacrity.

Q: In what town was this?

PHILLIPS: Beverly, Massachusetts, which had been the home of my parents and grandparents for some 65 years. Covering City Hall was part of my “beat” for the Beverly Evening Times. In due course, I came to know most of the City Hall officials, including the Mayor with whom I frequently discussed local politics. One day, out of the blue, the Mayor suggested that I consider running for the State Senate. This was a tempting suggestion, but I reminded him that either one of our two State Representatives, both Republicans, might have similar aspirations. Since the incumbent Senator was also a Republican and was well known throughout the District, this could turn out to be a difficult primary election campaign. The Mayor told me he had good reason to believe that neither Representative would be interested, and that therefore I would probably be the only contender. I promised the Mayor to give the matter serious consideration.

As I later weighed the pros and cons, I realized that the reason I might be the only contender, was that no one else thought the incumbent could be beaten. Being young, and full of self confidence, I convinced myself that I could do so. A few weeks later, I announced my candidacy for the Senate, and immediately began the task of organizing a Districtwide campaign committee. In this effort I was greatly assisted by the help of a group of Beverly residents with whom I had been associated in establishing a local chapter of the United World Federalists. This was an organization which grew out of the experience of the second world war. Many thoughtful and sincere people had become convinced that only a system of limited but enforceable world law could prevent the repetition of such a catastrophe.

Unrealistic though that dream was in retrospect, it did attract a small but significant national following. As I look back, it seems quite extraordinary that participation in such an organization could have been helpful in winning a State Senate seat. But I think the enthusiasm and loyalty of my UWF fellow members had a lot to do with my success. In any case, after a year of non-stop campaigning, I won the Primary election, and in the

ensuing 1948 Presidential election, I defeated my Democratic opponent, thus becoming the youngest Massachusetts State Senator elected up to that time.

Massachusetts State Senate 1948-1953

Q: And how long did you serve in the State Senate and what were youparticular legislative interests?

PHILLIPS: I was elected to three terms, but as I will explain later, I resigned in the middle of my third term. Those five years were full of interest and challenge. As I look back on them, I realize how invaluable that political and legislative experience was to be in my later years of public service. There were two key legislative issues with which I was very much involved. The first dealt with the use of injunctions in labor disputes. As Chairman of the joint committee on labor and industry, it was my responsibility to try to draft legislation which could pass both Houses of the Legislature, the Senate then being Republican and the House, Democratic. The Democratic Governor, Paul Dever, had proposed legislation that was primarily responsive to labor interests. He apparently thought he could count on the support of two or three liberal Republicans in the Senate, myself included. After consulting with my Republican colleagues, I made a statement on the Senate floor declaring, that though I supported the Governor's objectives, his proposals were unacceptable to us. However, I promised that I would introduce a more acceptable bill the following year. This did not greatly please the Governor or the Senate Democrats, but without our votes the legislation could not be enacted.

Following adjournment of the Legislature that year I began to focus on the problem of drafting a more balanced anti-injunction bill that would take into account the interests of both labor and management. Knowing very little about the intricacies of labor law, I sought advice from several people. One of them said to me, “There's a young Professor at thHarvard Law School by the name of Archibald Cox who has considerable expertise in such matters. Perhaps he would be willing to work with you.” I called Mr. Cox and he

agreed. During the next few months we worked together, I on the political aspects, and he on drafting the legislation. Our efforts bore fruit, and a year later the Cox-Phillips Anti-Injunction Law was enacted. Later, I used to say, with tongue in cheek, that I launched Archibald Cox on his distinguished career. You will recall that he later became Solicitor General of the United States, and Special Prosecutor during the Watergate period.

Q: And what was the second issue that was of special interest to you?

PHILLIPS: That related to efforts to reserve a Massachusetts television channel for educational purposes. I was appointed Chairman of the Public Commission on Educational Television. This bipartisan Commission included legislators from both Houses, as well as several public members appointed by the Governor. One T.V. channel was then up for grabs, and our task was to build public support for a non-commercial educational channel and to persuade the FCC of its feasibility. At the time, two of the State's major newspapers were working overtime to have the channel assigned for commercial TV use. With the support of then Governor Christian Herter, we obtained a modest appropriation which enabled us to undertake the necessary legal and engineering work. I and several of my colleagues campaigned up and down the State, trying to build support and public interest for educational TV. The Commission's efforts were fruitful and we were able to make a persuasive case to thFCC [Federal Communications Commission]. To make a long story short, a year or so later, FCC approval was finally granted. Thus was born WGBH, Channel 2 in Boston which, subsequently became the grandfather of public television in the U.S.

Q: You said that you resigned from the State Senate in the middle oyour third term. Why was that, and where did you go from there?

PHILLIPS: By 195I had become very active in the Massachusetts Eisenhower for President Committee, of which my Father and Governor Herter were co-chairmen and Chris Herter Jr. and I, co-vice chairmen. I also organized the first slate of delegates

pledged to Eisenhower. Opposing us in the Presidential Primary election that Spring, was a slate pledged to Senator Taft. We conducted a lively campaign up and down Essex County, stressing foreign policy differences between the two candidates. We believed that Ike was a man of the world highly respected in other countries, who understood the importance of American leadership in the post -war world. Taft, on the other hand reflected a more isolationist view of America's role similar, in some respects, to the earlier America First Movement. Our slate won handily, and a few months later found me in Chicago as Secretary of the Delegation.

Q: Did you find that foreign policy played much of a role when it really got down to the nitty-gritty of politics when you were at the convention?

PHILLIPS: No, certainly at the convention it did not. And the Eisenhower people, as well as many of the Taft supporters, did not want to have a major party rupture over foreign policy differences. Of course in his acceptance speech, Eisenhower did set forth in general terms his views on foreign policy, but during most of the convention, discussions were focused on domestic issues and convention politics. For me, the whole experience was fascinating - a kind of case study of how the American presidential electoral system works.

My decision to leave the Senate before the completion of my third term, was a difficult one. A few months after Eisenhower's inauguration, I was invited to come to Washington to take a position in the State Department. I was torn, because here was an opportunity to engage in the conduct of U.S. foreign policy, something I had long wished to do. On the other hand, I was very conscious of my responsibilities to the people who had reelected me to a third term. As a Republican member of the Senate, I could also be severely criticized if my resignation resulted in the election of a Democratic successor. However on that score, I felt quite confident that this would not happen. One of my very close friends from Beverly, Henry Glovsky, who was then serving as a State Representative would, I knew, run for the seat, and there was little doubt that he would be elected with the full support of my campaign organization. This in fact did happen in a special election later that year. And so

after carefully weighing the pros and cons, I decided to take the plunge. A few months later my wife and I and our two small children had settled into a rented house in Washington, and I was beginning to learn the State Department ropes, as Special Assistant to Robert Murphy, the Assistant Secretary for United Nations Affairs. Murphy had only recently returned to Washington from Tokyo where he had served as Ambassador for the previous two years. A few months after my arrival, Murphy moved up to the position oDeputy Under Secretary for Political Affairs. A year or so later, I was named Deputy Assistant Secretary of State for International Organization Affairs.

State Department 1953-1957

Q: Before we go on, could you give me your impressions of Robert Murphy, what he was like, his style of operation, and so forth?

PHILLIPS: Well, I remember him as a very attractive person with a good sense of humor, but with strongly held convictions about which he could be very forthright. But behind his Irish charm, was a toughness and intelligence which stood him particularly well during his wartime years iFrench North Africa as President Roosevelt's Personal Representative. Unlike many in the Foreign Service, Murphy was a skillful politician, in a nonpejorative sense. He was politically astute and equally at ease with both foreign and domestic political leaders.

Q: What were some of the subjects you were handling at that time?

PHILLIPS: On my first day at the office I found, waiting for me on my desk, an enormous stack of documents and a brief memo suggesting that these should be helpful in bringing me up to date on arms control matters. For a recently retired State Senator, this constituted a bit of a challenge. There are few more complex issues than arms control negotiations. Fortunately, this was not to be my major assignment. During a later assignment at the UN, I did play a small role in the negotiations over the Eisenhower Atoms for Peace proposal, which eventually led to the creation of the International Atomic

Energy Agency. But during most of my four years as a Deputy Assistant Secretary in the Bureau of International Affairs, I focused mainly on the economic and social programs of the UN.

This was a period that saw the admission of an increasing number of smaller, less developed countries which looked to the UN for aid and technical assistance in the development of their economies. They pushed for the creation of a Special UN Fund for Economic Development to which the wealthier countries would be expected to contribute. This was opposed by most of the industrialized countries of the west who argued that the World Bank was the appropriate institution for investment projects. We knew that our Congress would never agree to a plan by which the wealthy nations would provide the funds, but have little to say about their use. We were, however, mindful of the feelings of a number of Latin American countries which favored the creation of some kind of UN development program. In an effort to find an acceptable compromise, we took the lead in negotiations which eventually led to the creation of the United Nations Special Fund. Under the leadership of Paul Hoffman, its first Managing Director, the Fund became the principal operating arm of the United Nations in the developing world. It focused on pre-investment projects designed to create conditions in less developed countries that would facilitate both domestic and foreign investment. Over the years, it has proven to be one of the UN's most successful programs. In 1966 it merged with the Expanded Program of Technical Assistance and became known as the UN Development Program [UNDP].

During my last two or three years, in the Department, we also had to deal with three major political crises: 1. the 1956 Hungarian uprising, which resulted in the exodus of thousands of Hungarian refugees into neighboring Austria. The UN High Commissioner for Refugees, on whose Executive Committee I served as the American member, was instrumental in mobilizing international support for the care and feeding of these refugees; 2. the Suez crisis resulting from Egypt's nationalization of the canal, and the subsequent invasion of Egypt by Israeli, French and British forces; 3. the Congo crisis which led to the introduction of the first ever, UN peacekeeping force of some 18000 blue-helmeted troops. The UN

was deeply involved in each of these crises, and our Bureau was kept busy back-stopping the operations of our Mission in New York. It was a challenging and exciting time.

Q: You were with Robert Murphy to begin with, and then when he moveon you eventually moved to - what was next?

PHILLIPS: I continued as Deputy Assistant Secretary for four years, during which time I served under two Assistant Secretaries. The first, David Key, a senior career Foreign Service officer who served only about one year, and the second, Francis Wilcox, former Chief of Staff of the Senate Foreign Relations Committee and a close friend of John Foster Dulles. I became very fond of Francis and benefitted greatly from his extensive knowledge of foreign affairs. He had the full confidence of both Secretary Dulles and Ambassador Henry Cabot Lodge, our Representative to the United Nations.

Q: What about the dynamics of the State Department? Did matters concern you, say, with the Far East? Walter Robinson was head of the Far Eastern Affairs Bureau at that time, and in a way represented the very conservative wing of the Republican Party. He was a strong supporter of Chiang Kai-shek, was he not?

PHILLIPS: Oh, yes, Walter Robinson played a key role in all matters relating to China. His overriding concern was to keep the Chinese communists out of the UN. In this he had the full support of Dulles, who, no doubt, was not unmindful of McCarthy's vitriolic attacks against anyone suspected of being “soft on communism.” No position paper which remotely concerned the China question, could be sent to our Mission in New York without Robinson's initials. Each year as we undertook the major lobbying campaign on the so-calleChina credentials issue, one or more of Robinson's officers were on hand to make sure that no stone was left unturned to keep the Republic of China's seat in the UN.

For another decade these efforts were successful. But most of us dealing with UN affairs, became increasingly skeptical about this annual exercise which involved such an expenditure of political capital. Little by little the margin of support for our resolution

diminished and many of us saw the handwriting on the wall. During my second tour of duty at the UN a few years later, I participated in our final and unsuccessful effort to maintain Taiwan's seat as the legal government of all of China.

Q: At this period did McCarthyism hit you, or was that pretty weldead by that time?

PHILLIPS: McCarthyism still hung like a heavy cloud over the Department, particularly for Foreign Service people. I recall, for example, one of the career people in my Bureau, who was probably the Department's outstanding expert on UN economic and social affairs. He had helped draft papers at the Dumbarton Oaks Conference on the UN Charter, and later participated as a member of our delegation to the San Francisco Conference. Walter Kotschnig was born in Austria of Austrian parents. Unfortunately for him, he still spoke with an Austrian accent. To make matters worse, from the standpoint of the McCarthyites in the Department, he had once been a professor at Smith College. That was quite enough to bring him under the suspicion of the Department's Bureau of Security Affairs, then headed by one Scott McLeod, widely regarded as the State Department agent for Senators McCarthy and Styles Bridges of New Hampshire. Time and again, we would include Kotschnig's name in a delegation to a UN meeting at which his expertise could have been invaluable, only to be informed, at the last minute, that his security clearances were not yet complete. It became clear to me that Security had no evidence against Kotschnig on which to base security charges, but they didn't want to clear him. The game was to keep him in perpetual limbo by simply not acting on his security clearance. I finally lost my patience and went up to meet with McLeod. I told him that his Bureau's refusal to either approve or disapprove Kotschnig's clearance was unacceptable. I said, in effect, if you have negative information about him, then tell me. You have an obligation to do so. If you don't, then clear him. This apparently, had some effect, because a week or two later, Kotschnig's clearance was finally granted.

When he retired in 1971, Walter Kotschnig received the State Department's “Distinguished Honor Award” conferred upon him by Secretary of State William Rogers.

Q: I believe in 1957 or 1958, you left the Department of State to begin what seemed to be a shift back to domestic affairs. How did that come about?

PHILLIPS: Yes, in 1957 I began to think about returning to elective politics. Realizing that in the position I then held, I could not engage in political activities, I began making inquiries about a possible Presidential appointment which would release me from the restrictions of the Hatch Act. In due course I received word from the White House that a vacancy existed on the three-member U.S. Civil Service Commission - would I be interested in serving as Vice Chairman of the Commission? The prospect had some appeal to me, not merely because it was a Presidential appointment, but because it dealt with government-wide personnel policies and programs. As Chairman of the Committee on Labor and Industries in the Massachusetts Senate, I had been dealing with similar issues on a State-wide scale. After giving the matter some thought, I accepted the offer. By year's end, I found myself ensconced in a huge office in what was once the Government Patent Office. During the ensuing months, I traveled throughout the country visiting all the regional offices of the Commission and gaining a firsthand impression of the variety and scope of Federal operations nationwide.

Less than a year later, a sudden and quite unexpected turn of events found me back in the world of diplomacy. One day I received a call from Cabot Lodge in New York asking me to come to the U.S. Mission to the UN to serve as our Representative on the UN Economic and Social Council. I said I greatly appreciated the honor but I thought it would be wrong for me leave the Civil Service Commission to which the President had so recently appointed me. Furthermore, I was not keen to move to New York having only just purchased a house in which we had expected to be living for at least the following four years. Cabot's response was characteristically to the point. “If the President decides that it's more important to have you here than at the Civil Service Commission, you should do as he wishes.” That was a pretty clear hint to me that Lodge had already cleared the appointment with the White House. He asked me to think a bit more about this, and said

he would be in touch with me again soon. I then discussed the matter with my wife, Mabel on whom the burden of pulling up stakes in Washington and moving to New York with our two young daughters and our six months old son, would most heavily fall. She decided that this was an opportunity we should not turn down. A week later when Lodge called. I agreed to accept the appointment.

Q: How long did you hold this position and what were your responsibilities as the U.S. Representative on the Economic and Social Council?

PHILLIPS: I stayed with the U.S. Mission to the U.N. until shortly after the beginning of the Kennedy Administration. An amusing incident occurred soon after I arrived in New York. To my great surprise, I received an invitation from Eleanor Roosevelt to have dinner with her in her apartment. I was very pleased, of course, since I hadn't seen her for many years and I looked forward to discussing with her some of the human rights and social issues in which she played such a key role during the early days of the UN. She greeted me warmly, saying how glad she was to see me at the UN. “But” she added, “I have one question to ask you which puzzles me. I see that you are serving in a Republican administration, but I remember you as a boy being a rather enthusiastic Democrat.” “Well,” I replied, “you see I come from Massachusetts where being neither Catholic, Irish nor Italian is a bit of a handicap in getting nominated for anything in the Democratic party. I also noted that the Republican party in Massachusetts, at that time, was considered to be more progressive than the Democratic party. She smiled and said, “You're right Chris, I forgive you.”

There were two other people at the dinner that night, Mr. and Mrs. Joseph Lash, whom I had not previously met. He was United Nations correspondent for the New York Post, and for many years had been a close friend and political associate of Mrs. Roosevelt. A few years later, afteMrs. Roosevelt died, I received a call from Lash, telling me that he was about to write a biography of the Roosevelts. Mrs. Roosevelt had told him that she thought my mother's journals, kept over a period of 60 years, might provide some insights into Mrs. Roosevelt's earlier life. The two had been close friends as young women. And so, with

the help of my father, who had survived my mother by three years, we searched through many of the more than 50 journals and discovered a number of interesting anecdotes and incidents involving both Eleanor and Franklin.

These were later incorporated in Lash's book, “Eleanor and FrankliRoosevelt” published in 1971.

UN Economic and Social Council 1958-1961Q: Let's talk a bit about your experiences during those three years in New York. Was your position an Ambassadorial appointment?

PHILLIPS: No, although it was an Ambassadorial level position which required Senate confirmation, Lodge decided that two Ambassadors, himself and his Deputy, James Wadsworth, were quite enough. In subsequent years, however, the ECOSORepresentative was accorded the rank of Ambassador. My responsibilities as the U.S. Representative on the Economic and Social Council included supervision of the Mission's economic and social affairs staff and participation in all meetings of the Council and in some of its subsidiary bodies, such as the four regional economic commissions. Those commissions were established by the ECOSOC to deal with regional economic and social problems in Europe, Asia, Latin America and Africa The idea was to relieve ECOSOC and the General Assembly of the necessity to deal with matters primarily regional in character. In 1959 I chaired our delegation to a session of the Economic Commission for Asia and the Far East which was held in Broadbeach, Australia, or what is known as the Gold Coast. It was an interesting time to be in Australia. Shortly before the Commission's meetings began, Australia had severed diplomatic relations with the Soviet Union over an alleged spying incident involving Soviet agents. As it turned out, the Commission's meeting provided a good cover for private talks between the Australian Foreign Minister, Lord Casey and the head of the Soviet delegation, Deputy Foreign Minister, Nikolai Firubin. The talks were apparently successful because a short time thereafter, diplomatic relations were resumed.

I often wondered whether the sandy beaches and the salubrious climate of the Gold Coast may not have contributed to the success. Certainly, the Russians who had come all the way from Moscow's frigid, February weather, were happy to take full advantage of any out-of-doors recreational opportunities. Occasionally, when I went to the beach for an early swim, I encountered members of their delegation approaching the beach in single file behind their leader. Only when they reached the water's edge, did the formation break up and the swimming begin.

In those days, the Council was a relatively small body with a total membership of only 18. Its membership today is 54 and, in my opinion, it has become a less effective and more unwieldy organization. The U.S. during those earlier years could count on the support of the three or four Latin Americans as well as most of the Europeans. Our influence, therefore, was considerably greater, and the work of the Council, more efficient and more productive than it is today.

One of the problems which faced, and continues to face ECOSOC, is the role assigned to it by the Charter, to coordinate the activities of the 10 or 12 Specialized Agencies. These include such organizations as the World Health Organization, the Food and Agriculture Organization and UNESCO. The trouble is that the Specialized Agencies are relatively autonomous bodies. ECOSOC has no control over their budgets and therefore little leverage in controlling their programs or expenditures. Furthermore, their independent governing bodies tended to reflect the special interests of their national constituencies, which were not necessarily consistent with the policies of member governments concerning the allocation of resources to various UN programs.

The situation was improved somewhat, by the establishment of the UN Development Program in 1966. Funded by voluntary contributions from member governments, it operates on the basis of country priorities and programs established in consultation with recipient countries. When funds for a country program have been approved by the UNDP Governing Council, the program is carried out by those Specialized Agencies which have

the appropriate expertise to implement the program. Thus, they became, in a sense, subcontractors for UNDP. This provided some degree of control over the activities of the Specialized Agencies, thus assuring better utilization of their resources and more coordinated programs at the country level.

Q: Cabot Lodge - both of you came out of Massachusetts politics, and you say you knew him quite well. How did he operate at the UN and how effective was he?

PHILLIPS: During Lodge's tour at the UN we were, of course, still under the influence of McCarthyism, and the United Nations was under attack for being hostile to American interests. Cabot Lodge was very effective in countering those charges. In speaking to audiences around the country, he argued that when U.S. interests are best served by working through the UN, we should do so. On the other hand, there were occasions when our national interests are best served by working outside the UN. In this way Lodge tried to introduce a more balanced approach to the UN and put to rest some of the fears held by those who believed the UN was a threat to our national sovereignty.

As the U.S. Representative to the UN, Lodge had his strengths and weaknesses. His years in the Senate had prepared him well for the job. He was a skillful politician, articulate and effective in gaining support for U.S. positions. This, of course, was somewhat easier in those days when the membership was about half of today's, and we could usually count on the support of most of the 21 American republics. However, there were those at the UN who were privately critical of what they considered to be Lodge's arrogance. Within the U.S. Mission some of the staff found him too quick to make judgments, and not always willing to listen to opposing views.

Chase Manhattan Bank 1961-1965

Q: There was a gap in your official career between 1961 and 1969.What did you do in the interim?

PHILLIPS: Well, as a political appointee of the outgoing Administration I had expected to be replaced by an appointee of the new Administration. That in fact, was the case. During the next four years, I worked for the Chase Manhattan Bank in New York. It had never occurred to me to become a banker, but thanks to David Rockefeller, then President of Chase, I accepted a rather unusual offer. One day, a few months after my departure from the Mission, David invited me to pay him a visit at the bank. During the course of our conversation, he spoke to me of his interest in strengthening the bank's relations with the United Nations and its various Specialized Agencies. He explained that until becoming President, he had taken a personal interest in these matters, but since becoming President, he could no longer devote the time and effort necessary to develop those relations. Would I be interested, he asked, in becoming the Bank's representative for UN affairs? The job, he explained, would entail developing the bank's business relations with the UN and its agencies and keeping in touch with various UN activities and programs which could be of interest to the bank. Additionally, he hoped that I would report periodically on any developments which might impact on the bank's overseas operations. Needless to say, I had little hesitation in accepting what seemed to me a tailor-made job.

Over the next four years I made twice a year visits to the European- baseUN agencies and to meetings of the Economic Commission for Africa. I met with key secretariat officials and, in some cases, with the Secretaries-General of the organizations, many of whom were well known to me from my ECOSOC days. A year or so before leaving Chase, I was appointeAssistant Vice President for Canadian affairs, in addition to my UN responsibilities. In short, the transition from official to private life was, for me a relatively easy one. Those years with the bank were useful in giving me a broader appreciation of the impact of international trade and finance on relations between nations.

International Chamber of Commerce 1965-1969

Q: And so that brings us up to 1965 when I believe you left the ban- what then?

PHILLIPS: One day, during a summer vacation, I received a long distance call from a colleague who had served with me in the Eisenhower administration. Philip Young, former Chairman of the U.S. Civil Service Commission and later, ambassador to the Netherlands, was then President of the U.S. Council of the International Chamber of Commerce. He was a close friend of Arthur K. Watson oIBM who, at the time, was chairman of the Council Board. Phil told me that he intended to retire as President and had promised Watson that before doing so, he would recommend a successor. Would I be interested? Before giving him my reply, he suggested that I meet with him in his Cooperstown, New York, home after my return. I did so, and following a later meeting with Arthur Watson, I accepted the offer.

The ICC, as it's called, was founded in 1919 by a group of prominent European and American business leaders, including Thomas Watson of IBM. Its purpose was to work for the freest possible flow of goods, services and capital between countries. The ICC is not a typical national chamber of commerce. Essentially, it's a federation of national business councils or committees, each of which works to promote national policies consistent with the purposes of the organization. It also provides a forum from which the international business community as a whole can examine the whole range of world trade issues. A headquarters with an international secretariat is maintained in Paris, and a number of standing international commissions meet regularly to develop recommendations to governments and intergovernmental organizations. In brief, I worked for a kind of businessmen's United Nations. There were frequent trips to Paris for meetings of the international board of directors, and periodic Assemblies of the entire membership, (some 45 national councils at that time) two of which I attended in Japan and Canada.

My four years with the ICC were an invaluable experience and seemed to constitute a natural progression from my ECOSOC and bank work. I was now seeing the international economic scene through the eyes of world business leaders who were opposed to protectionism and supportive of liberal trade policies, both of which I strongly approved.

In 1969, I found myself once again on the move. Shortly after the 1968 Presidential elections, I received a call from former Ambassador Charles Yost who was then working on a book at the Council on Foreign Relations. Charlie, whom I had first met when he was Ambassador to Morocco, had recently resigned from government after a long and distinguished career in the Foreign Service. During the election campaign he had served as head of Hubert Humphrey's Task Force on the United Nations. Despite this, he was asked by Richard Nixon to become the U.S. Representative to the United Nations. Clearly, this was an effort by Nixon to project a spirit of bipartisanship in the conduct of foreign affairs. Charlie had not only Democratic credentials, but he had also served as a Deputy to Adlai Stevenson at the UN. His call to me was quite unexpected since I had not seen him for some time. Would I be interested, he asked, in coming back to the UN as Deputy Representative on the Security Council? I assured him that I would be happy to, but I doubted that the White House would approve me for a Presidential appointment because of my participation in the Nelson Rockefeller Presidential Primary campaign. Yost's response was, “leave that to me.” He was obviously persuasive because, a month or two later, I received word that the White House had approved my appointment. Soon thereafter I found myself back at the U.S. Mission in its imposing new building just across the street from the UN. Thus began my second tour of duty at the UN which lasted for almost four years.

Deputy Permanent Representative to the UN 1969-1973

After a year's service as Deputy Representative on the Security Council, I was appointed Deputy Permanent Representative to the UN with the rank of Ambassador Extraordinary and Plenipotentiary. My service with Charlie Yost was cut short by the quite unexpected decision of Nixon to request Yost's resignation. The reason for this action was never disclosed to Yost, nor did the President ever personally discuss the matter with him. To many of us it seemed shabby treatment to accord such an able and distinguished member of the Foreign Service. It was a humiliating experience for Yost and a shock to the Mission

staff. For a brief time thereafter I was Charge d'affaires, pending the arrival of the new Representative. Sometime in December, 1970, I received a call from George Bush whom I knew only by name as a former Congressman from Texas. I had known his sister, Nancy Ellis, slightly and had been an admirer of his father, Senator Prescott Bush. Bush told me that the President had just announced his appointment as the new Representative to the UN. He said that he had heard good reports about me, and asked if I would be interested in staying on with him. I said I would be happy to do so. For the next two years we worked together closely and established a warm and friendly relationship.

Q: Why don't we talk about the whole four years you were there. Whawere the major issues you were dealing with?

PHILLIPS: Well of course as Deputy Permanent Representative, I was in effect, Bush's alter ego. In his absence, or when he was otherwise occupied, I took his place in Security Council meetings and in the meetings of other bodies and committees. However, I also had primary responsibility for several ongoing programs, including the UN Seabeds Committee, plenary meetings of the Economic Commission for Europe, and problems relating to our responsibilities as the host country. The latter dealt with such mundane problems as diplomatic parking violations, the failure of some diplomats to meet their financial obligations or to pay their rents. We, on the other hand, were frequently criticized for failing to provide adequate protection for Missions and Mission personnel. The Soviets in particular, and sometimes for good reason, complained bitterly about harassment and threats against their Mission. Such problems and many more were aired and debated in the Committee on Host Country Relations, and they occupied the full time attention of a small section of our staff. One of our biggest headaches was the handling of diplomatic parking tickets. Diplomats complained frequently about the lack of parking spaces and city officials fumed over what they considered abuse of diplomatic privileges. Unfortunately both sides were, to some extent, justified in their complaints.

I think from the standpoint of substance, my work as chairman of our delegation to the UN Seabeds committee was the most challenging. This 42-member committee had been established by the General Assembly a year or so prior to my arrival. Its purpose was to try to negotiate a set of principles regarding the use of the seabeds beyond the limits of national jurisdiction. This involved a complex series of issues including fishing, exploitation of mineral resources on the seabed, navigational concerns, national security considerations, pollution problems, and scientific research.

In order to achieve those objectives, it was essential that the benefits which came from mining seabed mineral resources be shared equitably among all States. Otherwise, the main beneficiaries would be the advanced industrial states. This led to the conclusion that an International Seabed area, beginning beyond the 600 foot depth line, should be considered the common heritage of all mankind. Initially, we were instructed to oppose this formulation, presumably because of concerns of American mining and petroleum companies. It soon became apparent that we were pretty well isolated on this issue. I urged Washington to reconsider our position but got little support. Finally, I turned to my fellow Massachusetts friend, Elliott Richardson, who was then Under Secretary of State and asked for his help. Not long thereafter, instructions came through authorizing us to support the common heritage principle for a treaty that would renounce national claims to seabed resources beyond the 600 foot depth line. Resources beyond that line would be available for exploitation by all nations. Our changed position broke what otherwise would have deadlocked the committee's work. In December 1970, the committee adopted a declaration of principles governing the seabed and the ocean floor beyond the limits of national jurisdiction. The declaration represented a major breakthrough, and paved the way for a plenipotentiary conference on the “Law of the Sea,” to begin in 1973. The Seabeds Committee was thereafter converted into a preparatory committee for the Plenipotentiary conference and I stepped down as chairman. I was succeeded by Jack Stevenson, a distinguished New York attorney who had served as State Department Legal Advisor. In 1977 Elliott Richardson became Chairman of our delegation to the

Plenipotentiary conference. But despite enormous efforts by Elliott and his delegation, the U.S. was one of the very few members which did not sign the Convention when it was opened for ratification in 1982. Although some 10 years later the Clinton Administration did submit the Convention to the Senate for ratification, the Foreign Relations Committee under the Chairmanship of Senator Jesse Helms, refused to act on it.

In addition to my duties on the Seabeds committee, I also served as the U.S. representative on the UN Economic Commission for Europe which met periodically in both New York and Geneva. This, of course, was during the period of strained relations between East and West. The Soviets and the eastern bloc countries pushed hard for the admission of East Germany which we initially opposed. Eventually, however, a compromise was reached and the German Democratic Republic was admitted as a full member. Personally, I felt that this made a good deal of sense. The ECE was not primarily a political body. Its membership included all the countries of Europe plus the U.S. It focused on economic problems and served as a bridge between East and West in fostering regional cooperation. The Commission was fortunate to have as its Executive Director, Janos Stavnovnik of Yugoslavia, a distinguished economist, who had the trust and confidence of both East and West. I found him very helpful in devising compromises on controversial issues that were acceptable to both sides.

Another major issue for us, which had high political stakes, was the question of the admission of the People's Republic of China to the UN. For years the U.S. had succeeded in blocking a vote on the issue by proposing a procedural resolution to defer consideration of the matter. This required only a simple majority vote. By the late '60s support for this resolution was steadily eroding, and it was clear to many of us at the Mission that time was running out and that we would soon be faced with a direct vote on the admission of Peking and the expulsion of Nationalist China. By 1970, the U.S. for the first time, hinted that it might be moving in the direction of a two China arrangement. This “hint” was contained in a speech I gave on November 12, 1970, before the General Assembly. It was interpreted by the New York Times and other newspapers as an easing of our stand

against the admission of the PRC. The speech, of course, was carefully drafted by the State Department and approved by the White House. For the first time, we had a few positive things to say about the Chinese people, paying tribute to thei“industry, talents and achievements.” More significantly, we said that the U.S. would like to see the PRC play a constructive role in the family of nations. The press picked this up as the beginning of a shift from a policy of all out opposition to Peking's admission to the UN, to one of opposition to the expulsion of Taiwan. To this end, we sponsored a resolution providing that any vote to change the representation of China would be an “Important Question” requiring a two-thirds vote.

But the decisive battle over the Chinese representation issue did not occur until the next session of the General Assembly in 1971. By then, it had become clear that we could no longer hold the line. In an effort to stem growing support for the admission of the PRC and the expulsion of the Republic of China, we adopted what we called a policy of dual representation. This was in fact a two-China policy. Both the PRC anTaiwan would be seated in the General Assembly, but the PRC would occupy China's permanent seat in the Security Council. For several months beforthe opening of the General Assembly, we lobbied extensively to line up our votes. Ambassador Bush, myself and Ambassador Tapley Bennett directed regional task forces in which virtually all the Mission staff participated. We kept a running nose count, and although at times the outlook was not encouraging, we believed that if all our promised votes held, we could succeed. But what we had not anticipated was the totally unexpected news, announced by the President on July 15, that Henry Kissinger had just returned from Beijing. Bush had been given no advance notice about the trip from the President, and Secretary of State Bill Rogers, was only informed on the eve of Kissinger's departure. It had become clear to all the world that the U.S. was moving toward a policy of accommodation with China. From that moment on,we began to lose momentum. Votes in favor that had appeared to be solid, became abstentions, and abstentions frequently turned to “no” votes. The news, three months later, that Kissinger was back in Beijing, on a well publicized mission, doomed any

lingering hopes for our resolution. The crucial vote took place on the evening of October 25. It was on a resolution, to eliminate the requirement of a two-thirds vote to change the representation of China. It was adopted by a vote of 59 to 55, with 15 abstentions. With the two-thirds requirement removed, the General Assembly, by a majority vote of 76 to 35, ejected the ROC and admitted the PRC as the legal government of China.

This was a blow to Bush who obviously felt let down. While he, under instructions from Washington, had been waging an all out campaign to preserve Taiwan's seat, the President and Kissinger had been engaged in discussions with China which, once known, would doom his efforts. But, characteristically, Bush never publicly complained and took his defeat with dignity. I will always remember the moving sight of Bush escorting the TaiwaRepresentative from the General Assembly Hall as several third-world delegates danced in the aisles and applauded the U.S. defeat.

Q: What was your impression of the Nixon administration's attitude towards the UN? Was the President himself very much engaged in UN matters?

PHILLIPS: Frankly, I don't think the UN was a very high priority issue for Nixon or Henry Kissinger. I think the attitude was - well sometimes it can be helpful to us and when it can we should use it. Otherwise bilateral diplomacy was to be preferred. By contrast, during the Eisenhower period, when Cabot Lodge was Representative, we took a much more affirmative approach towards the UN. For example, we sponsored the so-called Atoms for Peace proposal which led to the establishment of the International Atomic Energy Agency. And, as I've have already noted, we took the initiative which later led to the UN Development Program. Although he gave lip service to the organization, Nixon never took any significant initiatives in the UN comparable to those. There were of course exceptions, the Arab-Israeli conflict being one of them. For both political and foreign policy reasons the White House and senior levels of the State Department became much more involved with UN activities relating to the Middle East.

Q: Could you do a little comparing and contrasting George Bush's anCharlie Yost's ways of operating and dealing in the UN?

PHILLIPS: Charlie was both a scholar and a senior career diplomat who had served with distinction in many parts of the world. His outwardly unassuming personality belied an inner shrewdness and intellectual toughness which stood him well in diplomatic negotiations. He was well informed on issues, particularly those relating to the Middle East. On the other hand, he was a very low-key speaker. What he had to say was almost always worth listening to, but his delivery was poor. Though somewhat introverted, he was a thoughtful and decent man and a person of total integrity. Bush was clearly a political person, but in the best sense of that word. He had an extraordinarily effective way of dealing with people and won many friends at the UN. But he came to the UN with virtually no experience in foreign affairs and none in multilateral diplomacy. He worked hard to overcome these deficiencies and in short order was on top of his job. During his first staff meeting, he quickly developed a rapport with all the staff members by telling them that he would rely on them for their knowledge and experience, and he, in return, would provide them the necessary political support from Washington. Bush took his job seriously and did his homework. By the time he left the Mission he had earned the respect and friendship of most of his UN colleagues.

Q: And so after four years you left the United Nations in 1973-whathen?

PHILLIPS: Yes, I resigned a few months after Bush departed to become Chairman of the Republican National Committee. I left for several reasons, but primarily because I was ready for a change after a pretty strenuous tour of duty at the UN. Nevertheless, I did so with mixed feelings, because those four years were among the most challenging and rewarding years of my life. Where else but at the United Nations could one mingle with representatives of the entire world, and deal with such an extraordinary range of political, economic and social issues affecting all mankind?

U.S.-China Trade Council 1973-1986

A few months before my departure, I received a surprising call from Washington asking if I would be interested in becoming the head of a newly established non-governmental organization to develop trade relations with China. I was one of three candidates being considered for this position. I agreed to have my name put forward, though privately wondering what qualifications I had for the job. I could think of very few! Not long thereafter, I was invited to attend a meeting in Washington for what I assumed would be an interview. The meeting took place in a small board room of the Shoreham hotel. As I entered, I found a dozen or so men seated around a long table, some of whom I recognized from my days with the International Chamber of Commerce and the Chase Manhattan Bank. Don Burnham, then Chairman of Westinghouse Electric, who seemed to be presiding over the meeting, introduced me to each of his colleagues. He then explained that the group constituted the initial Board of Directors of what was to become the National Council for U.S.-China Trade. Their immediate task was to select a full time executive to head up the Council's work. At the conclusion of a few friendly remarks about my public service, I was asked to leave the room. After a brief interlude in an adjoining anteroom, a young staff assistant to one of the Board members, escorted me back to the board room. As I entered, I was greeted by a round of applause and the announcement by the Chairman that I had been elected President of the Council. I expressed appreciation for their vote of confidence in me, and pledged my best efforts to live up to their expectations. “But,” I added, “it would be very helpful if you could give me a bit more guidance about the precise role you see for the Council.” “Oh,” said Don Burnham looking a little puzzled, “you know Chris, just to develop our trade and economic relations with the People' Republic of China.” And so with that “guidance” I embarked on a 13-year period of extraordinary expansion in trade and business relations between the U.S. and China.

Q: Can you tell me something about the origins of the Council. Was it established as a completely private organization, or was the government involved in any way?

PHILLIPS: Actually, it was a bit of both. One of the results of the 1972 Shanghai meeting between Nixon and Zhou En-lai was the decision to reopen commercial relations. Of course, at that time, normal diplomatic relations had not yet been established. It was therefore necessary to find a way to cooperate on an “unofficial” basis on matters relating to trade and commerce. It was agreed tha“non-official” organizations would be established in each country for that purpose. The Chinese told us that their organization would be the China Council for the Promotion of International Trade (CCPIT), which they described as an unofficial trade promotion body, but which, in fact, was an adjunct of the Ministry of Foreign Trade.

Q: It doesn't seem likely that the CCPIT could have been entirely independent of the Chinese government. Was the National Council itself not acting in pretty close cooperation with our government? How would you describe the council's relationship with the government?

PHILLIPS: Well, as I said, the decision to establish the Council was a joint undertaking between the government and the private sector. A few months after the Shanghai meeting, a National Security Council Study Memorandum recommended that the NSC encourage the formation of, what was described, as a prestigious, private Sino-American trade council. It would be the U.S. liaison point with the CCPIT and would work in “close, informal association” with the Department of Commerce. That recommendation was approved by the NSC and signed by the President on December 23, 1972. At the suggestion of the State Department, the council's name was changed to “The National Council for U.S.-China Trade.” In later years it was renamed “The U.S.-China Business Council.”

The Secretary Of Commerce was then requested to appoint a group of business leaders whose firms would be likely to develop commercial relations with China. They would have to agree to undertake the initial work and expense of establishing the Council. The list as finally approved included senior officers from such companies as Chase Manhattan

Bank, Hewlett-Packard, Boeing and Cargill. This became the initial Council Board of Directors, the same group with which I met a few months later. And so as you can see, the government played a significant role in establishing the Council, but once established, it operated as a private non-profit organization. We did, however, work in close cooperation with the Departments of State and Commerce and this was well understood by the Chinese. This institutional arrangement seemed to suit them very well. On the one hand, they could say they were working with a private, non-governmental American organization, but one which, nevertheless, had close ties to the American government. My own recent departure from government service and my associations with Ambassador Huang Hua and his staff in New York were also helpful in winning the cooperation of our counterpart organization the CCPIT.

Q: You were there at the beginning of the reopening of trade with China and were very much a player in that part. As an outsider, it strikes me that there has always been this peculiar sort of relationship with China on the part of Americans - a fascination with the place, plus that lurking thing - I remember that book - “Oil for the lamps of China” - somehow if you can only get the China market you're really going to make a packet. This goes back to the end of our revolutionary period when the China trade was really exotic but rather large. Did you find yourself having to deal with the realities and illusions of Americans as they got involved in this?

PHILLIPS: You're quite right, there's always been a certain amount of ambivalence .iAmerican attitudes towards China. Probably no other country in the world has so fascinated foreigners as China since Marco Polo discovered China some 800 years ago. And that fascination for China and things Chinese has had a particular impact on Americans. It goes back to the early days of our history, when U.S. ships began sailing to China, laden with cargoes of furs, lead, silver coins and ginseng, and returning with such luxury goods such as silk, porcelains, and tea. In due course this led to a thriving business for many American traders. It also sparked a kind of China craze. Unfortunately, that was largely based on ignorance and misconceptions about China. I remember a speech by

Senator Wherry of Nebraska in 1940. Referring to America's manifest destiny in China, he said, “Let us lift Shanghai ever upward and upward until it becomes just like Kansas City.”

Q: Can you tell me a little bit about how the National Council established its presence in China and how it interacted with the Chinese?

PHILLIPS: Well, like everyone else who has dealt with the Chinese, we learned the importance of two key words - patience and perseverance. It was a slow but ultimately successful process. Our first objective was to establish personal contact with the key officials of the CCPIT. To this end, it was decided to send a Board delegation to Beijing at the earliest possible date. This turned out to be in November, 1973, only three months after I reported for work. With a very small staff and only temporary office space, we were hard pressed to meet the deadline. Travel arrangements for a group of senior company officials and their wives, negotiations with the Chinese over an agenda, and the preparation of position papers and statements for the delegation, kept us fully occupied. I was fortunate to have found an excellent Deputy who had once visited China with a member of Congress, Eugene Theroux, a successful young Washington attorney and brother of the well known author, Paul Theroux. Gene played a key role during the Council's formative years.Finally, on Sunday, November 4, our nine-member delegation led by Donald Burnham Chairman of Westinghouse Electric, arrived by train at the border town of Lo Wu in the New Territories of Hong Kong. We disembarked and, carrying our hand luggage across the bridge into the town of Shumchun, we became the first American business delegation to enter the People's Republic of China. I couldn't help contrasting my first visit to Mao's China with my Father's experiences in the China of Empress Tzu Hsi, 70 years earlier. The China that greeted us in 1973 was a China still ruled by Mao Zedong and still in the throes of the cultural revolution, during which a million or more Chinese were killed or died of starvation. Yet for us, little of this was visibly evident. Our few contacts with ordinary Chinese were always friendly and often mixed with a good deal of curiosity - not surprisingly since westerners, especially Americans, were few in number at that time. Tish Hewitt, the wife of Deere & Company chairman, Bill Hewitt,

never failed to attract the attention of the Chinese. Her six foot figure and flaming red hair greatly amused them. I remember thinking that not so long ago the Chinese referred to westerners as red-haired barbarians. Nevertheless, Tish was the center of friendly attention wherever she went.

Q: Would you comment briefly about some of your experiences in Chinduring your years with the Council.

PHILLIPS: Well, that period, from l973 to my departure in 1986, was a time of enormous change in China. Because of what the Chinese considered to be our quasi-official status, we sometimes had easier access to Chinese officials than our people at the U.S. Liaison Office, then headed by AmbassadoDavid Bruce and his two Deputies, John Holdridge and Alfred Jenkins. I remember, during one of our visits to the Liaison Office, being asked if we would be willing to hold the reception for our host organization, the China Council for the Promotion of International Trade, at the Liaison Office. It was explained that because we had not yet established normal diplomatic relations, Chinese officials would not accept invitations from U.S. officials for events at the Liaison Office. However, if an invitation were extended by the National Council, it would probably be accepted. And so, as it turned out, we introduced the first Chinese trade officials to Ambassador Bruce and his staff. The party was a great success.

During those early years, our economic relations with China were minimal. In 1973 our two-way trade amounted to only 800 million dollars, and most of that consisted of U.S. grain sales to China. The Chinese complained that U.S. exports to China far exceeded our imports of Chinese goods and that this wasn't what they referred to, as mutually beneficial trade. Of course a major challenge for Chinese exporters in those days was to develop foreign markets for such exotic products as Double Happiness bras, White Elephant batteries and the Pansy line of men's shirts. By 1986, the imbalance had begun to shift in China's favor, and during subsequent years, it was the U.S. which complained about trade imbalances with China. Foreign investment or foreign loans to China were then taboo. I

remember the Foreign Trade Minister saying during one of our early meetings with him, that China would never grovel for foreign loans or permit foreigners to exploit their natural resources.

Among my first impressions, of Mao Zedong's China was the ant-hill like quality of these highly disciplined people. Everything and everybody seemed to be in constant motion. Though motor vehicles were few, the constant din of horns and the indifference of the drivers to pedestrians or bicyclists, was sometimes a bit nerve-wracking. The only decent hotel in Beijing then was the old Peking hotel, built sometime in the 1920s. In Beijing and other cities we visited, billboards displayed such slogans as: “bumper harvests with joy,” “ample food and clothing through self-reliance,” e.g. tunnels deep, store grain everywhere and never seek hegemony.” Despite the clearly propagandistic tone of these appeals, they seemed to have an impact on many Chinese. One sensed an underlying feeling of pride in what had been accomplished since “Liberation” - but it was a pride tempered by the recognition that much yet remained to be accomplished. As we were often told, China is still an underdeveloped country.One of our first meetings with a senior Chinese official took place in the Great Hall of the People shortly after our arrival in Beijing. The official, then Vice Premier Li Xiannian, had been a member of the Chinese Communist party Politburo since 1956. He was a close associate oZhou En-lai and was defended by Zhou against attacks during the worst days of the cultural revolution. As a moderate and pragmatist he was said to have been one of the chief architects of China's early economic development program. For all these reasons, we regarded this as a propitious introduction to China's political elite and a clear indication that China was prepared to cooperate with the Council. One of our Board members raised the subject of Chinese oil production. As I recall, the Vice Premier replied something along these lines—”our pre-liberation leaders and the Russians concluded that there was little oil in China, but we didn't agree. We told our engineers to drill as deeply as necessary to find oil, but not so deeply as to come out in the U.S. So far, our oil production has been modest. However, we intend to increase our search for petroleum, but not with the help of foreigners.”

A few years later, we visited China's biggest oil producing area at Taching, abou80 miles northwest of Harbin in Manchuria. There we were given an extensive tour of the production and refining facilities, as well as a petrochemical plant which was then producing about five million tons a year. We were told that production had doubled during the preceding 10 years. The Chinese proudly referred to Taching as the “Miracle of Taching”and it was cited as a model for all patriotic Chinese workers to emulate. Despite China's earlier refusal to accept any foreign participation in China's oil exploration and production, it was not long before American and other foreign oil companies became very much involved in both these activities. By 1983 some 20 American oil companies were bidding for seismic survey and drilling concessions as well as selling substantial amounts of equipment and technology to the China National Offshore Oil Corporation. But the really dramatic change in China's policies towards foreign trade and investment, came with the return to power of Deng Xiaoping in 1977. I met this remarkable man on several occasions and he impressed me greatly. Twice before, Deng had been purged from power for his unorthodox views. These included such statements as “It makes no difference whether a cat is black or white as long as it catches mice” and, “seeking truth from facts and putting action before ideology.” Those were pretty bold statements at the time. In fact, from the standpoint of orthodox Chinese communist thinking, they were almost heretical. But “putting action before ideology” led to dramatic changes in Chinese life and in China's relations with the rest of the world. Despite our lack of diplomatic relations with China, American companies were becoming increasingly involved in China's development. By the time I left the Council in 1986, our two-way trade with China had grown to 8 billion dollars, a tenfold increase over 1973. Our investments there in joint ventures of various kinds had reached a total of about 3 billion dollars. But the Chinese frequently reminded us that business relations could not reach their fullest potential without normal diplomatic relations.

Q: Could you explain briefly how the Council operated in China anhow it was helpful to American companies?

PHILLIPS: Well, from the beginning, our basic objective was to educate the American businessman about contemporary China and the opportunities and pitfalls of the Chinese market. We invited a group of distinguished China scholars such as Michael Oxenberg, Harry Harding of Brookings Institution and Doak Barnett of the Johns Hopkins School of Advanced International Studies, to give occasional lectures to our members. Our reference library in Washington became an important source of information on all aspects of China's trade and economy. The China Business Review, the first issue of which was published in 1974, has become the foremost U.S. publication of its kind and is highly regarded within the U.S.-China business community. Within the first few years of the Council's existence, 20 industry committees had been established reflecting both importer and exporter interests. This committee structure became the focal point for planning trade delegation exchanges, and later, for organizing U.S. trade exhibitions in China. By 1979 the Council had established an office in Beijing, which provided a kind of home base for visiting company representatives, helping them to arrange visits with Ministries and Foreign Trade corporations and providing other useful services.

Q: Returning for a moment to the more political aspects of business relations with China when we had not yet established diplomatic relations, what if any, difficulties did that give rise to?

PHILLIPS: As I've already explained, our relations with Chinese officials at all levels, were very good. However, it became increasingly clear that, without normal diplomatic relations, a major expansion of business wasn't going to happen. And so with this in mind, the Council'Executive Committee prepared a policy statement to the U.S. government, urging the Administration to move ahead on the normalization of relations. The statement said that American national interests and the interests of world peace would best be served by a formal government-to-government relationship. It also noted that the prospects for mutually beneficial trade would be greatly improved. This was presented to Zbigniew Brzezinski, the President'National Security Advisor, in June 1977. It was clearly welcomed

by the White House, which was already moving in that direction. Without exaggerating the Council's role, I think it's fair to say that we did galvanize a significant part of the American business community, which helped to overcome opposition by the pro-Taiwan lobby and others opposed to recognition of the PRC. Of course, it was also helpful in our relations with Chinese officials who were aware of the Council's role in working for normalization.

Although the Council was a non governmental organization, Chinese officials sometimes found it a useful channel for political purposes. As a former U.S. Ambassador, I would occasionally be invited to meet informally with officials to “share views” about various aspects of U.S.-China relations. One such meeting was a luncheon in 1982 with Ambassador Chai Zemin and the head of his Commercial Section. After a brief discussion about trade and commercial matters, virtually the entire meeting was devoted to Taiwan. Chai began by assuring me that once the U.S. accepted the principle of China's sovereignty and territorial integrity, other accommodations would be possible. This of course was the standard line, but he then went on to the matter of U.S. arms sales to Taiwan. There were two reasons why the U.S. did this, he said - “pressures from the merchants of death”and the U.S. desire to continue its control over Taiwan. We had other such conversations with Chinese officials, including former Vice Premier Bo Y Bo whom I escorted during his visit to the U.S. in 1980. I remember, particularly, a meeting we had with Premier Zhao Ziyang in 1983. He noted that economic and trade relations were only one aspect of the overall relationship between the two countries, and that it was also necessary to nurture the overall relationship. He then expressed the hope that the Council would exert its utmost efforts to improve overall relations as well as to increase bilateral trade. As I look back on these unofficial discussions with the Chinese, it seems to me that they were primarily intended to open channels of communication with leaders of the American business community who it was assumed had considerable influence with the U.S. government.

Q: As you look back on those 13 years with the China Council, were there any particular events or experiences that stand out in your memory ?

PHILLIPS: Well, I think the year 1976 was, for me a memorable year, both from the standpoint of events in China and my own experiences. It began with the death of Premier Zhou En-lai in January. Zhou was highly respected by most Chinese for his role in curbing some of the excesses of the cultural revolution. Many Party leaders owed their lives to his influence, and Mao depended on Zhou to keep the government functioning during that tumultuous period. Many months after his death, I remember seeing photos of Zhou, draped in black, pinned to billboards on busy downtown streets. But such public indications of support for Zhou and his reformist policies, led to a resurgence of influence by the more hard-line idealogues led by Mao's wife, Jiang Qing and her three colleagues - later referred to as the “Gang of Four.”In July, China experienced a major earthquake which virtually destroyed the coastal cities of Tangchan and Tientsin and did considerable damage to Beijing. It so happened that I was in Beijing at the time for a week of meetings with Chinese officials. That week turned out to be a bit more than I had bargained for. It began on July 22 with a reception for Chinese foreign trade official by the then head of our Liaison Office, Thomas S. Gates. During the following days, my official meetings were interspersed with visits arranged by my hosts to acquaint me with the day-to-day life of the average Chinese. One such visit was a brief ride on Beijing's new 14 mile subway system which was completed in 1969. Few if any foreigners had ridden the system and my colleague John Kamm, our Hong Kong representative, and I were the focus of many curious stares. In an effort to amuse a little one- year old girl who was seated on her Mother's lap beside me, I got a wide-eyed stare and a sudden burst of tears.

Towards the end of that weeI began to feel increasingly unwell and my Chinese colleagues insisted that I go to the hospital for a checkup. Since my official business at that point was over and because I felt that I might have a fever, I agreed to visit the Sho Dung hospital. This hospital was founded many years ago with Rockefeller funding

and later became known as the Capitol hospital. I was given tests and medications and asked to return the following morning. At about midnight that night I was awakened by a telephone call informing me that the tests showed I had bacterial dysentery and that a car was waiting to drive me, immediately, to another hospital. Accompanied by John Kamm and two members of our host organization I was delivered to the Chinese equivalent of “Peking's Number 1 Infectious Diseases” hospital. There, I learned that in addition to bacterial dysentery I also had a salmonella bacteria. Dr. Chang Yu-puo, head of the Foreigners' ward, said that unfortunately one of those bacteria was quite drug resistant, but they would do their best to cure me.

It was on the fifth day of my sojourn at the hospital that the earthquake struck Beijing. Shortly after 3:30 in the morning, I was awakened by a violent shaking, both vertically and horizontally, accompanied by a low rumbling, thunder-like noise. My room was completely dark, and the light-switch was out of reach in the hall. I vaguely remembered that during an earthquake one is supposed to get some protection by standing under a door frame. But instead, acting on instinct,I dove under the bed where, if the ceiling collapsed, there might be at least some protection from the mattress and bedsprings. As it turned out, after one minute of continuous activity, the quake subsided and my room was still intact. During the next few days, after-shocks continued and all patients were required to sleep in tents out-of-doors. My tentmates were the only other foreigners in the hospital. They were three young Laotian men being treated for chronic hepatitis, and the eight year old daughter of the Tanzanian Ambassador to Beijing, who had been hospitalized for three months with a liver infection. The tent was small and the nights oppressively hot and humid. After three nights, I was much relieved to be told that I could be discharged from the hospital, particularly so since Dr. Chang had told me that this was the season of the encephalitis-carrying mosquito. The tents were not equipped with mosquito netting.

Nevertheless, that week in the hospital gave me a new appreciation of the ordinary Chinese people. The kindness and consideration I received from all the hospital staff, I will always remember. Whenever I was feeling a bit low, they seemed to understand and

to find ways to cheer me up. My feelings in this regard were reinforced by the way the hospital staff responded to the huge influx of injured people who had been transported from the devastated city of Tangchan. I had watched the first truck-load being unloaded and I couldn't help noticing the small acts of kindness performed by the orderlies, nurses and doctors. I recall, for instance, watching one of the orderlies combing the hair of a severely injured woman, while nearby another was helping an injured old man wash his hands and face.

Traditionally, the Chinese regard earthquakes as harbingers of bad news, which in this case proved to be true. Less than two months later, Mao Zedong died and the whole country went into a period of deep mourning. Almost immediately, a major power struggle began between the leftists, led by the Gang of Four, and the moderates supported by then Prime Minister, Hua Guofeng. The moderates won out, and soon the news leaked that Jiang Qing and her three cohorts were under arrest. During the course of a two weeks trip to China with members of our Board in mid- October, we witnessed the extraordinary explosion of public support for the arrests. Everywhere, great crowds of marchers jammed the streets, carrying placards condemning the Gang of Four, and billboards were plastered with effigies of the four hanging from gallows. I remember, particularly, being engulfed in a sea of marchers which, as it approached us in our small vehicle, caused us some concern. We weren't quite sure how they would react to a small group of foreigners in their midst under such emotional circumstances. Trying to reassure them of our friendliness, we smiled and waved at the on-coming tide, and to our considerable relief, they reciprocated. For perhaps a half hour we sat in our car unable to move as the marchers streamed past us. The mood of the crowd was clearly upbeat as it celebrated the downfall of the hated Jiang Qin and her three colleagues.

Q: I believe it was in 1986 that you left the China Trade Council.Was it soon thereafter that you were appointed Ambassador to Brunei.

Brunei Darussalam 1989-1991

PHILLIPS: No, in fact I didn't go to Brunei until three years later. For the first year or so, I did some consulting and lecturing on China, including a lecture tour on a Royal Viking cruise ship from Japan to Hong Kong. I also renewed my activities with the United Nations Association of the U.S., and served as the U.S. representative on the Executive Committee of the World Federation of United Nations in Geneva. In that capacity, I attended meetings in such places as East Berlin, Warsaw and Budapest. These and other activities kept me quite fully occupied. When it became clear that Bush was going to run for President in 1988, I offered to help him in any way that I could. I had continued to keep in touch with him while he was Vice President because of our mutual interest in China. Shortly after his candidacy was announced, I was asked to become a member of his National Campaign Committee, and later I served on one of the Issues committees which dealt with Asia and the United Nations. A few months after the election, I received a call from Chase Untermeyer, the President's Special Assistant for Personnel. He asked what I might be interested in doing in the new Administration. I mentioned two possibilities; an appointment as Under Secretary General at the UN - a position traditionally held by an American, or an overseas posting. In the latter case my strong preference would be for an embassy somewhere in Asia or the Pacific. I was realistic enough to know thaI would not be offered a large post because I fell between two categories of appointees to such positions - big contributors to the campaign and career Foreign Service officers. I was neither, although I already had considerable experience in the foreign affairs area. A few days later, Untermeyer called back to say that unfortunately there was only one post in the area remaining to be filled. It was the small but wealthy Sultanate of Brunei Darussalam in Southeast Asia. Would I possibly be interested? I replied, if the President feels that I could usefully serve there, I would be happy to do so. Shortly thereafter, the President called me and said that Untermeyer had reported to him my preferences for a position in his Administration. As I remember the conversation, the President said he was interested that I had mentioned the UN slot because I was one of the first people he had thought about for that position. However, Secretary of State Jim Baker had pressed him to hold that appointment for a senior Foreign Service Officer he had in mind. As for Brunei, the

President said, “it's a very small post for which you're much over-qualified, but I hope you will be willing to accept it.” I said I would be happy to do so because in any case, my real preference was to serve as part of his Administration.

Q: So your next step was to begin preparations for your confirmation hearings. You had been through this process before, so you were essentially an old hand. Did you have any problems?

PHILLIPS: No, it turned out to be a breeze. I appeared before a Senate sub-committee with one other nominee, Paul Cleveland, a career FSO, who was headed for Malaysia. We each made brief statements and answered a few questions. As a political appointee, I had expected more detailed questioning. I think the fact that I had been confirmed for two previous Presidential appointments, may have led the committee to believe I was a career officer.

Q: Tell me a bit about Brunei's history and its significance from the standpoint of U.S. interests. Didn't the Iran-Contra business have some impact on our relations with Brunei?

PHILLIPS: Yes, indeed. A few years before my arrival, an Assistant Secretary of State, during the Reagan Administration, visited Brunei for a meeting with the Sultan. The purpose of this visit was to request the Sultan to make a contribution to Iran-Contra activities. Since at that time the Sultan was widely considered to be the richest man in the world, and was known for his generosity, he appeared to be a good prospect. Perhaps a bit naively, the Sultan, agreed, apparently persuaded that it was an anti-communist cause. By prior arrangement, his $10 million check was deposited in a Swiss bank numbered account. As it turned out, the check was deposited to the wrong account, and for some time was lost. By the time it had been recovered, word of the incident had leaked out and was reported in the press. The check was returned to the Sultan who was understandably furious. He never liked publicity about his contributions, and in this case he was made to look slightly ridiculous. The incident was not lightly forgotten, as I later learned. I had

received instructions to approach the Brunei government about making a contribution to the UN High Commissioner for Refugees to assist the Philippine Government in dealing with the victims of a massive earthquake which had left thousands of people homeless. The Foreign Minister pointedly suggested that it would be more appropriate to have such a request come from the UN.

But let me say a few words about the history of this tiny Islamic Sultanate, located on the northwest coast of Borneo, only four degrees above the equator. The earliest references to present-day Brunei, or Brunei Darussalam as it is properly called, were found in early Javanese and Chinese records. They mentioned a kingdom called Bunlai, in the area of present day Brunei Bay, which paid tribute to the Chinese Emperors from the sixth to the ninth centuries. Evidence of this early connection with China, can be seen in the small but excellent museum in Brunei's Capitol. There one can find a remarkable collection of old Chinese coins dating back to the ninth and tenth centuries.

Historic Brunei didn't really begin until the early 15th century when Islam was introduced by a then pagan ruler who converted to Islam and became the founder of the dynasty which rules Brunei to this day. The present Sultan, Hassanal Bolkia, is the 29th of the royal line. It's easy to forget that the small territory over which the Sultan rules today was at one time a vastly greater area. By the mid-17th century, it included most of Borneo and the Philippines as far north as Luzon, as well as the present day Malaysian states of Sarawak and Sabah. But by the beginning of the 19th century, the Sultan began to suffer major territorial losses. These included the states of Sarawak and Sabah as well as a slice of land carved out of the middle of Brunei by the British adventurer Charles Brooke, the second of three generations of so-called White Rajahs who ruled Sarawak until the end of World War 11. In an effort to prevent any further losses of territory, the Sultan agreed with a British proposal to establish a ResidencSystem which gave the British jurisdiction over both domestic and external affairs, while the Sultan controlled only Islamic religious matters. The arrangement continued until 1959 when internal self-government was re-established. There's an interesting footnote to this story and it relates to the first official

U.S. contact with the Sultan of Brunei. In 1845 the USS Constitution “Old Ironsides” arrived in Brunei during its only round-the-world trip. The Captain had been authorized to negotiate for a coaling station in Brunei in exchange for a treaty of protection and trade. Apparently, the Sultan gave serious consideration to the proposal, but finally turned it down in favor of a British protectorate. In 1850, however, the U.S. did sign a commercial treaty with Brunei. Full independence was not achieved until January 1, 1984, and the first U.S. ambassador to Brunei, Barrington King, presented his credentials to the Sultan on May 28 that year.

Q: I believe you were our third Ambassador to Brunei. When did you present your Credentials, and what was the ceremony like? I suppose it took place in that vast palace said to be the largest in the the world.

PHILLIPS: Yes, I presented my Credentials to the Sultan on November 28 1989. You're quite right, the Istana Nural Iman, Palace of the Light of Faith, as it's called, has been described by the Guinness Book of World Records as larger than the Vatican Palace in Rome. Although I wasn't particularly impressed with the external architecture of the building, many of the interior chambers were quite impressive - as for example, the throne room with its 12 massive, 4500 pound crystal chandeliers and magnificent Moroccan carpeting. The palace is about a third of a mile long and contains some two million square feet of space with 1800 rooms. It serves not only as the residence for members of the royal family, but it also houses the offices of the Defense Ministry andthe Prime Minister's office.

As for the presentation ceremony, it had much of the formality and pageantry of the19th century British colonial era. I was escorted to the Palace by the Director of Protocol who picked me up at the embassy and drove me to the Istana. After passing through the large outer gates, we drove up a wide ramp to the main entrance. There, I got out of the car which had pulled up alongside a red-carpeted dais. A military Aide-de -Camp escorted me to the dais, where I faced a smartly uniformed “Prestige Guard of Honor” and an army

band. The Guard presented arms and I received the salute of the commanding officer. The band struck up some martial music while the Guard stood “At Attention,”and I stood with as much military bearing as I could muster. Accompanied by the Assistant Grand Chamberlain and the Chief of Protocol, we then entered the Palace, passing through a spacious open courtyard with a large blue circular pool and a water fountain at its center. After a few minutes wait in the Reception Room where the Grand Chamberlain met us, a palace official arrived to announce that His Majesty was ready to receive me. In preparation for the event, I had been carefully briefed by my staff about the protocol requirements for the presentation of credentials. Nevertheless, I approached the Ceremonial Room with some trepidation, hoping that I would remember where and when to bow, and precisely the number of steps to be taken between bows. Nor should I forget not to cross my legs when seated in the Sultan's presence. As it turned out, all went well. Following the ceremony, the Sultan invited me to be seated in a large overstuffed, silk damask chair, while he seated himself opposite me in one of equal splendor. We chatted briefly about my family and my prior activities. I then mentioned that, just before my departure for Brunei, I had visited the USS Constitution in Boston. There I learned that a painting of “Old Ironsides” had been presented to the Sultan some years ago. I had been asked if I could try to find out where the painting might be today. The Sultan assured me that it was still in the Palace, and he arranged to have me see it on my departure.

Q: Would you describe some of the more significant issues you dealwith during your two-year stint in Brunei.

PHILLIPS: From my earliest meetings with the Sultan, and in subsequent meetings with other senior officials, it became clear to me how much importance Brunei attached to a continued American presence in the Pacific. As a small but very wealthy Third World country with limited military capabilities, Brunei had to try to compensate for its vulnerabilities. It had only recently become a member of ASEAN, which provided a kind of political and economic regional umbrella but not much security. By the time I arrived on the scene, a modest military relationship with the U.S. was already underway. It was

somewhat expanded during my two years there, but mindful of Brunei's reluctance to become too overtly involved with a great power, we didn't play it up. This began with occasional U.S. navy visits to Brunei's main port at Muara. By the time I arrived on the scene, Admiral Hardisty, then Commander- in-Chief of Pacific Forces, had already made his first visit to Brunei and several more were to follow. On one of these he invited the Sultan to board his aircraft carrier. The Sultan, who is an experienced pilot and the owner of an Airbus as well as several Gulf streams and helicopters, was clearly delighted. Each year one or two U.S. navy vessels made calls at Muara, and for two or three days, took part in naval training exercises with Brunei's flotilla of small gunboats. All of these activities created much good will between the two “navies.” Some jungle warfare training for American troops and refueling rights for U.S. military aircraft, were additional areas of cooperation.

But during 1990, as our negotiations with the Philippines on the renewal of the Clark Airforce Base lease dragged on, there began to be press speculation that the U.S. was considering Brunei as a possible alternative to the Clark air base. Since this kind of speculation could arouse concern within the Brunei government, with which we had never discussed the matter, I denied any knowledge of such plans when questioned by the press. Brunei government officials refused to make any public comments. As it became increasingly likely that the Philippines were not going to renew the lease and that the U.S. might begin to withdraw its forces from the western Pacific, there were expressions of concern from Foreign Ministry officials. At a meeting I had with Lim Jock Seng, the Permanent Secretary of the Ministry, he referred to a recent announcement that the U.S. was planning to withdraw two Fighter Squadrons from the Clark Airforce Base. He said some would interpret this as the beginning of a U.S. withdrawal from the western Pacific. I assured him this would not be the case. My Japanese colleague related to me a conversation he had with Major General Ibnu the Deputy Minister of Defense, concerning the Philippine Base negotiations. The Ambassador said that Ibnu had expressed the hope that the negotiations would succeed, and that Brunei would be concerned by any

substantial reduction of the U.S. presence in the region. Ibnu then added, that if the negotiations failed, Brunei would be prepared to provide military facilities to the U.S. similar to arrangements Singapore had with the U.S. He made clear, however, that he was not talking about U.S. bases in Brunei.

It was largely a consequence of our withdrawal from the Philippines that Brunei became more interested in enhancing military cooperation with the U.S. It became clear to me that they wanted us as a benign protector - to be near but not too near. And so we soon began discussions to broaden our areas of cooperation. By the time I left Brunei, we had begun to negotiate a mini- “Status of Forces Agreement” along the lines of a similar agreement we had with Singapore. We also increased refueling activities and began theatre intelligence briefings for senior Brunei officials. From the standpoint of U.S. interests, we saw Brunei as a potential training site for U.S. forces, given the large areas of vacant space throughout the country. And, in the event of any future military threat in the area, Brunei's excellent airport with its long runways could become a useful alternative landing site for military aircraft.

Q: Did the outbreak of the Gulf War have any adverse effect on this program of military cooperation? How did Brunei react to the war and the leading role played by the U.S.?

PHILLIPS: I think the answer is, none as to the first question and somewhat ambiguously, as to the second. The official position of the government was to support the coalition's efforts to eject Saddam Hussein from KuwaiThe Sultan told me that had there been no response to Iraq's attack on Kuwait, Saddam would have been tempted to move against other small countries in the area. I asked his opinion about Saddam Hussein's claim that this was a Jihad war. The Sultan denied that there was any legitimacy to this view because Jihad applied only when a non- Muslim country attacked a Muslim country. Despite these assurances by the Sultan, and Brunei's support for the various UN Security Council resolutions, public opinion was strongly pro-Iraq. The average Bruneian saw a big powerful, non-Islamic country ganging up on a small Islamic country. This was reflected

in the local media and on occasional placards displayed along the main road between the Embassy and the Residence, as well as one or two telephone bomb threats. However, we never encountered demonstrations or outward signs of hostility. It was clear to me that the Government was keeping close watch on the situation.

During several visits with the Sultan and other senior officials, I began to note a subtle shift occurring in attitudes toward the conflict. Within the government itself there appeared to be two factions: those, especially in the Foreign Ministry, who believed that Brunei should continue its policy of support for the coalition; and a more religiously hard-line faction which tended to reflect pro-Iraq public opinion. Caught between these opposing views, the Sultan tried to straddle the issues. In a 1991 National Day royal address (Titah) he reaffirmed Brunei's demand for an immediate Iraqi withdrawal from Kuwait. But he also expressed strong support for any moves which could result in a peaceful settlement. He then went on with a sharp criticism of the coalition forces, accusing them of violating the mandate of Security Council resolutions and blaming them for widespread destruction and the deaths of innocent people. Only a week or two earlier, the Sultan had told me that he would not wish to see any strains develop between the U.S. and Brunei over the Gulf War. Needless to say Washington was not greatly pleased by this royal address.

Q: Let's talk a bit about the Sultan and his role as both the religious and secular leader of the country. I understand that he also serves as Prime Minister and Minister of Defense.

PHILLIPS: ThSultan, of course, is an absolute hereditary ruler who rules through a Cabinet of Ministers similar to the British system. And, as you noted, he also serves as Prime Minister and Minister of Defense. I have often said, in jest, that Brunei is the only absolute monarchy that has a semi-socialist system of government. It provides free education for all Brunei children, and free medical and subsidized housing for all citizens. To top it off, there is no personal income tax.All of this is possible because of the steady stream of revenue from Brunei's offshore oil and gas production. The Sultan himself, seemed to enjoy the respect of most Brunei Malays, who constitute some 55% of the population.

It's more difficult to judge the feelings of the Chinese. They represent about 25 % of the population, but few of them have been granted citizenship. They are therefore ineligible for the benefits accorded Brunei Malays. Nevertheless, it is the Chinese who constitute the commercial class of the country, and those few who have been granted citizenship play an influential role in the life of the country.

As for the Sultan, it took me some time to get through his rather formal and reserved personality. Surrounded by all the trappings of a 19th century monarch, one didn't push too hard. I think the breakthrough for me occurred when I presented him with a framed photograph of the earth, taken from one of our spacecraft and autographed by a crew member, who happened to be a close friend of my son-in-law. The Sultan, an experienced pilot and much interested in space exploration, was clearly pleased, particularly when I pointed out that Borneo was at the center of the photograph. In time, I came to realize that beneath this reserved and diffident personality was a natural friendliness and a man who took his responsibilities as secular and religious leader seriously. Unlike other members of the Royal family, the Sultan took a second wife. Though Islamic law allows men up to four wives, this seldom happens in Brunei. Despite widespread criticism within the Royal family, in 1981 he married a very pretty young flight attendant on Royal Brunei Airlines with whom he had fallen in love and for whom he built a second, but substantially smaller palace. Whatever initial hard feelings there may have been, they were no longer evident by the time I arrived. On all official occasions the Sultan was accompanied by both wives - wife number one, Saleha, always seated on his right, and Princess Mariam, his second wife, on his left. As far as one could tell, the relationship was a harmonious one.

Q: Were there not rumors of misconduct and scandal among some members of the Royal family? Could you comment about these?

PHILLIPS: Yes, within the diplomatic community and probably among better informed Bruneians, such rumors were not uncommon. They focused primarily on the actions and activities of one of the Sultan's three brothers, Prince Jefri, who served as Finance Minister

and as chairman of the Brunei Investment Agency, which manages Brunei's foreign reserves as well as much of its foreign investments. The rumors related both to financial improprieties and Prince Jefri's personal lifestyle. For example, despite a strict prohibition against the sale or consumption of alcoholic beverages, it was well known that Jefri was importing substantial quantities of these for consumption in a hotel which he owned. Rumors also abounded about the attractive young women he invited to Brunei and put up in his various guest houses, where disco parties and other entertainment were provided. I have no reason to believe that the Sultan was aware of all these goings-on. It's doubtful that anyone would have dared convey such information to the Sultan, but of course there is no way of being sure of that. I was always impressed by the contrast between Prince Jefri and his older brother, Prince Mohamed, the Minister of Foreign Affairs. The latter was a devout person who took his religion and his job seriously. I found him most helpful on a number of occasions, especially during the Gulf War period. At times when it was difficult to get through to the Sultan, I could always rely on Prince Mohamad for help. Of the three brothers, he was considered to be the closest to the Sultan.

Q: Let's turn for a moment to Brunei's economy. One hears much about the Sultan's enormous wealth, his lavish lifestyle and his extensive overseas investments. Can the economy sustain this indefinitely?

PHILLIPS: I think the answer to that depends largely on how long Brunei's oil and gas reserves last. As of a few years ago, known reserves were about 1.5 billion barrels of oil and 5.6. trillion cubic feet of gas. Some among the petroleum industry people guessed that the end could come early in the 21st century - but that, of course was only a guess. Basically, Brunei is a one-track economy with oil and gas accounting for 70% of its domestic product, and 99% of its exports. The Brunei Shell Petroleum company, which is half owned by the Brunei government and half by Royal Dutch Shell, produces most of the output. The government was well aware of the need to diversify the economy, but doing so had not been easy. During several meetings I had with Abdul Rahman, the Minister for trade and economic affairs, we discussed the current five-year national development

plan. This focused on creating new jobs for the indigenous labor force and on efforts to encourage foreign investment which could promote exports. They were talking about such possibilities as the development of a glass-making industry from Brunei's ample silicon resources, the production of pharmaceuticals from products grown in the rain forest, and the development of tourism. None of these seemed to me to offer much hope of success. Next to the petroleum sector, Brunei's major source of earnings is from overseas investments. These are mostly handled by the Brunei Investment Agency, although it is sometimes difficult to know when a particular investment is in the name of BIA or of the Sultan himself. For example, the Dorchester hotel in London is owned by the Sultan, but other hotels such as the Beverly Hills in California and the Holiday Inn in Singapore, are owned by BIA. According to one well informed individual I knew, Brunei's national reserves as of 1991 stood at $30.2 billion. A major portion of the income earned from this portfolio is reinvested, and only petroleum income is used as government revenue. Of course, the Sultan's personal fortune, which is shrouded in secrecy, is not included in those figures.

And so it seems to me that for the foreseeable future, Brunei's economy will be more directly affected by the world price of oil and gas than any other single factor.

Q: Before we conclude these discussions, are there any other issueor events you would like to comment on?

PHILLIPS: Well, there are a couple of matters about which I'd like to say a few words. The first concerns the impact on Brunei of something called Malay Muslim Monarchy, which stresses conservative Islamic values and the uniqueness of Brunei Malayan culture. Its origins go back to the reign of the present Sultan's father, but until recently, it wasn't a major factor in Bruneian life. By the time I left however, it had reemerged as a very significant factor. Most Bruneians appeared to have to have little understanding of just what MIB meant. To those of us in the diplomatic community it seemed to have a distinctly nationalistic and anti-foreign flavor and an intolerance towards non-Islamic religions. During a meeting with the Sultan he was asked for a clarification of the purposes and

objectives of MIB. He told us that Brunei had become so influenced by western values that its traditional cultural values were being threatened. It was therefore necessary to restore a balance between foreign and Bruneian cultures. But he assured us that this was not anti-western and that there was nothing chauvinistic about the concept. However, I think there was more to it than that.

In spite of the Sultan's general popularity, there were signs of growing unrest, particularly among young people, who chafed under the restrictions of life for them - no theaters, no movies, no discos. Additionally, unemployment was growing and had reached almost 6%. One of my ambassadorial colleagues once described it as “unfocused discontent.” It appeared that a small but powerful group of hardliners within the government, led by the Mufti, had persuaded the Sultan that a more conservative Islamic orthodoxy was necessary in order to produce a greater sense of direction to his rule. But these policies were by no means universally popular, either within the government or among ordinary Bruneians. Some of my colleagues in the diplomatic community believed that if continued, they would eventually lead to social unrest and a destabilization of the country. My own hunch was that the influence of such moderates as Pehin Isa, the senior special advisor to the Sultan, and other moderates in the cabinet would eventually prevail.

The other matter, which caused me more than a little frustration, concerned President Bush's invitation to the Sultan to meet with him in Washington for an official working visit. I had discussed this possibility with the President shortly before my departure for Brunei. He thought it was a good idea and promised to look for an opportunity to arrange the meeting. I wasn't particularly optimistic that anything would come of my suggestion. To my great surprise however, only a few months after my arrival in Brunei, I received instructions to present a letter from the President to the Sultan extending an invitation for the visit which, as I recall, was to be during the month of June. The Sultan was clearly pleased when I presented the letter to him. He asked for a few days to discuss the timing with his staff and promised to respond shortly. A week later, I was asked to return to the Palace for further discussions about the visit. During the course of that meeting, the Sultan asked if

his trip to Washington could be postponed to coincide with the opening of the U.N. General Assembly in September. I cautioned him that this might be difficult, because that was the time of year when the President had an especially heavy schedule of visits with foreign leaders attending the General Assembly. Nevertheless, if he wished, I would convey his request to Washington. It was pretty clear to me that the Sultan was hoping to combine his Washington visit with a speech at the opening session of the General Assembly. It seemed highly unlikely that the White House would agree to the Sultan's request. I was therefore not surprised to receive word from Washington that the request had been turned down. To my considerable surprise however, I was then asked to inquire if the Sultan could give us a period of time during which an alternative date might be set. In due course word came back that the month of April, the following year, would be convenient. I passed this on to Washington, and soon thereafter received instructions to deliver an invitation to the Sultan for a visit during the last week of April, 1991. I also told the Foreign Ministry that Washington hoped for a prompt reply because of the President's advanced scheduling requirements. A week went by with no word from the Palace. A few days later a terse instruction arrived from Washington which said, in effect, get a yes or no reply without further delay. I then met with the Foreign Minister and told him I had been instructed to press for an immediate response to the President's invitation. The next day I was called to the Palace for yet another meeting with the Sultan. After expressing his apologies for the delayed reply, he said his advisors had reminded him that the new dates would conflict with his annual post-Ramadan visits to all of Brunei's cities and towns. At that point I was nearly speechless, but I put on the best front I could, saying I was sure the President would be disappointed. My cable reporting this news to Washington, concluded with a strong recommendation against any further Presidential invitations to the Sultan.

At first, I was puzzled by the Sultan's rather casual handling of an invitation from the President of the United States. Why would he not have jumped at such an opportunity? The answer became apparent to me during my farewell call on the Sultan. At the outset of our conversation, he said how much he regretted that unavoidable commitments had

prevented his trip to Washington, and that the missed opportunity was most unfortunate. When I explained to him how difficult it was to arrange Presidential invitations, he responded that he was now very aware of this and was especially appreciative of the efforts made on his behalf.

It was clear to us in the Embassy that there was no snub intended by the Sultan or his advisers. They simply had no idea of the demands made on the President's time, and naively assumed that they were not dissimilar to those made on the Sultan. We parted on a friendly note, with the Sultan expressing the hope that we might meet again in Washington the following year should he be there on either an official or unofficial visit. I couldn't help wondering if this was a not so subtle hint that he would welcome yet another Presidential invitation!

Q: I think that concludes this series of interviews. Thank you very much, Mr. Ambassador, for your participation in this oral history program of the Association for Diplomatic Studies.

End of interview